

Message Text

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PAGE 01 STATE 164976
ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
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DRAFTED BY EB/OA/AVP:GGRIFITHS:PMA
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EUR/NE:DGOODMAN
CAB:HASWALL

-----077211 290029Z /12

O 282336Z JUN 78
FM SECSTATE WASHDC
TO AMEMBASSY LONDON IMMEDIATE

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E.O. 11652: N/A

TAGS: EAIR, UK

SUBJECT: PAN AM TRIES TO MATCH BCAL

1. PAN AM FILED WITH CAA ON SHORT NOTICE ON JUNE 8
CERTAIN FARES TO MATCH BCAL'S 11TH HOUR FARES AND
BOTTOM DOLLAR APEX FOR TRAVEL HOUSTON-LONDON. CAA HAS
APPROVED PAN AM'S FARES MATCHING BCAL'S BOTTOM DOLLAR
APEX. (PAN AM'S FARE IS ACTUALLY HIGHER IN THE PEAK
SEASON THAN BCAL'S, AND PAN AM FARE IS GOOD FOR ROUND
TRIP ONLY, WHEREAS BCAL FARE AVAILABLE BOTH ONE-WAY AND
ROUND TRIP).

2. TO MATCH BCAL'S 11TH HOUR FARES, PAN AM HAS REDUCED
LEVELS OF ITS BUDGET AND STANDBY FARES. APPARENTLY
HOWEVER, CAA WILL NOT APPROVE THESE PAN AM FARES UNTIL
THEY MATCH EXACTLY THE LEVELS AND THE CONDITIONS OF
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BCAL'S FILING. CAA ACTION SOMEWHAT PUZZLING SINCE
FIGURES SUPPLIED DEPARTMENT BY PAA INDICATE ITS PEAK
SEASON FARE ACTUALLY HIGHER THAN BCAL'S. IN ADDITION,
PAN AM TOLD DEPARTMENT THAT CAA VERBALLY WENT SO FAR AS
TO STATE THAT PAA MUST CALL ITS STANDBY SERVICE THE
11TH HOUR FARE, AS BCAL DOES.

3. DEPARTMENT SOMEWHAT NONPLUSSED BY CAA ACTION, IF FOREGOING IS ACCURATE REPRESENTATION ITS POSITION. FURTHERMORE, SUCH A POSITION WOULD SEEM TO VIOLATE PARA 6 OF THE MARCH 17 SHOVELTON-ATWOOD EXCHANGE OF LETTERS IN WHICH BOTH GOVERNMENTS AGREED TO QUOTE GIVE PROMPT AND SYMPATHETIC CONSIDERATION TO SUBSEQUENT INNOVATIVE TARIFF FILINGS BY THEIR CARRIERS WITHIN THE SCOPE OF ARTICLE 12. UNQUOTE. CAA HAS CITED PROVISIONS OF SHOVELTON'S LETTER AS JUSTIFICATION FOR ITS REJECTION OF PAN AM BUDGET AND STANDBY FARES FROM PORTLAND AND HONOLULU, AND A TWA APEX FARE FROM MINNEAPOLIS. DEPARTMENT TRUSTS CAA NOT READING THAT EXCHANGE OF LETTERS WITH BLINDERS ON.

4. ACTION REQUESTED: PAN AM SERVICE HOUSTON-LONDON ON THESE FARES BEGINS WESTBOUND JUNE 30, 1978. ACCORDINGLY, TIME IS OF THE ESSENCE. EMBASSY REQUESTED CONFIRM FACTS FOREGOING WITH LOCAL PAN AM REP. IF FOREGOING ACCURATE, EMBASSY SHOULD CONTACT CAA AND STATE THAT USG VIEWS CAA POSITION OUTLINED PARA 2 FOREGOING AS NOT IN ACCORDANCE WITH PARA 6 OF MARCH 17 SHOVELTON LETTER. IN VIEW OF TIME FACTOR, EMBASSY SHOULD REQUEST PROMPT CAA ACTION THIS MATTER.

5. COMMENT: BCAL HAS BY ITS FILINGS, WHICH WERE APPROVED BY THE CAB, CREATED A NEW TRANCHE OF COMPETITION LIMITED OFFICIAL USE

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TO WHICH PAN AM, OR OTHER CARRIERS, ARE ENTITLED TO RESPOND. CAA SEEMS TO BE SAYING THAT PAN AM RESPONSE MUST BE MIRROR IMAGE OF BCAL FILING, A POSITION THE USG CANNOT ACCEPT. VANCE

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Message Attributes

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Current Classification: UNCLASSIFIED
Concepts: AIR FARES, AIRLINES
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Draft Date: 28 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
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Drafter: GGRIFFITHS:PMA
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ISecure: 1
Legacy Key: link1978/newtext/t19780610/aaaaailw.tel
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